

## FLEXIBLE SPENDING ACCOUNTS

Flexible Spending Accounts (FSA) are funded by employees for personal use. They provide a tax effective way to save for certain health care and dependent care expenses.

There are no taxes (Federal Income, State Income or Social Security) on dollars contributed toward either or both of the Flexible Spending Accounts. This tax treatment is similar to the pre tax treatment of dollars contributed toward any other flexible benefit options.

## HEALTH CARE SPENDING ACCOUNT

During the year employees can deposit through payroll deduction and be reimbursed tax-free, up to the specified annual contribution for health care expenses not covered or not fully paid by medical or dental plans.

The following list of eligible expenses\*, while not intended to be complete, illustrates health care expenses which may be claimed as part of the Plan (source: IRS Publication 502):

Acupuncture	Naturopathic office visit/consultation
Alcoholism	* Please note: herbal remedies, minerals & vitamins are NOT eligible for reimbursement.
Ambulance hire	Nurses' fees (including nurses board and Social Security tax where paid by taxpayer)
Artificial limbs	Obstetrical expenses
Artificial teeth	Office visit co-pays
Birth control pills	Operations and related treatments
Birth prevention surgery	Orthodontia
Braces	Orthopedic shoes
Braille - books and magazines	Over-the-counter medicines/pain relievers
Care for mentally handicapped child	Oxygen
Chiropractors	Physician fees
Christian Science practitioners' fees	Physician recommended swimming pool or spa equipment costs and maintenance
Co-insurance	Prescribed Medicine (including contraceptives)
Contact lenses (prescription)	Prescription co-pays
Contact lens supplies	Psychiatric care
Cosmetic surgery (medically necessary procedures)	Psychologist fees
Cost for physical or mental illness confinement	Retarded persons cost for special home
Crutches	Routine physicals and other non-diagnostic services and treatments
Deductible	"Seeing-eye" dog and its upkeep
Dental fees	Special communication equipment for the deaf
Dentures	Special education for the blind
Diagnostic fees	Special plumbing for the handicapped
Drug and medical supplies	Sterilization fees
Eyeglasses, including examination fee	Surgical fees
Fee of practical nurse	Therapeutic care for drug and alcohol addiction
Fees for healing services	Therapy treatments
Fees of licensed osteopaths	Transportation expenses primarily for rendition of medical services, i.e. railroad fare to hospital or to recuperation home, cab fare in obstetrical cases
Handicapped persons special school	Tuition at special school for handicapped
Hearing devices and batteries	Vitamins (if they require a prescription in order to obtain)
Home improvements motivated by medical consideration	Wheelchair
Hospital bills	X- rays
Insulin	
Laboratory fees	
Lasik eye surgery	
Lead base paint removal for children with lead poisoning.	
Membership fees for associations furnishing medical services, hospitalization, and clinical	

care

\*Please be advised that some expenses may require a prescription or a doctor's note specifying the medical necessity of the expense for treatment of a specific medical condition.

## DEPENDENT CARE SPENDING ACCOUNT

During the year employees can deposit through payroll deduction and be reimbursed tax-free, up to the specified annual contribution for dependent care expenses. To be eligible for dependent care reimbursement, the dependent must be under age 13 or a handicapped/elderly adult who is unable to care for himself/herself. The care must be provided to enable an employee (and the spouse, if married) to work. PUBLIC & PRIVATE KINDERGARTEN ARE NOT ELIGIBLE FOR REIMBURSEMENT ACCORDING TO IRS GUIDELINES.

Explanation of Benefits and Notification of Benefits required in most cases. Reminder: canceled checks or credit card receipts are insufficient for claim substantiation.

